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MINISTRY OF LABOUR AND EMPLOYMENT

NOTIFICATION

New Delhi, the 28th November 1963

G.S.R. 1845.—In exercise of the powers conferred by section 5, read with sub-section (1) of section 7, of the Employees' Provident Funds Act, 1952 (19 of 1952), the Central Government hereby makes the following Scheme further to amend the Employees' Provident Funds Scheme, 1952, namely:—

1. This Scheme may be called the Employees' Provident Funds (Twentyfirst Amendment) Scheme 1963.

2. In the Employees' Provident Funds Scheme, 1952 (hereinafter referred to as the said Scheme), in paragraph 2,—

(i) sub-clause (b) shall be omitted;

(ii) for sub-clause (d), the following sub-clause shall be substituted, namely:—

“(d) “Commissioner” means a Commissioner for Employees' Provident Fund appointed under section 5D of the Act and includes a Deputy Provident Fund Commissioner and a Regional Provident Fund Commissioner;”

3. Paragraph 3 of the said Scheme shall be omitted.

4. For paragraph 5 of the said Scheme, the following paragraph shall be substituted, namely:—

5. “**Terms of Office.**—(1) The Chairman of the Central Board and that of a Regional Committee, and every trustee of the Central Board referred to in clauses (b) and (c) of sub-section (1) of section 5-A of the Act and every member of a Regional Committee shall hold office during the pleasure of the Central Government.

Provided that where the Central Government directs that a trustee representing a State Government shall cease to hold office, the State Government concerned shall be consulted.

(2) The term of office of the trustees of Central Board referred to in clauses (d) and (e) of sub-section (1) of section 5A of the Act shall be five years commencing from the date on which their appointment is notified in the official Gazette:

Provided that any such trustee shall, notwithstanding the expiry of the said period of five years, continue to hold office until the appointment of his successor is notified in the Official Gazette.

(3) A trustee referred to in sub-paragraph (2) appointed to fill a casual vacancy shall hold office for the remaining period of the term of office of the trustee in whose place he is appointed.

(4) An outgoing trustee shall be eligible for re-appointment”.

5. In paragraph 6 of the said Scheme,—

(i) in sub-paragraph (1), the brackets and figure “(1)” shall be omitted;

(ii) sub-paragraph (2) shall be omitted.

6. In paragraph 7 of the said Scheme, for the existing proviso, the following proviso shall be substituted, namely:—

“Provided that the Central Government in the case of the Central Board and any Regional Committee may restore him to trusteeship or membership of the Regional Committee, as the case may be, if it is satisfied that there were reasonable grounds for the absence.”

7. In paragraph 8 of the said Scheme, for sub-paragraph (2), the following sub-paragraph shall be substituted, namely:—

“(2) If any question arises whether any person is disqualified under sub-paragraph (1), it shall be referred to the Central Government and the decision of the Central Government on any such question shall be final.”

8. In paragraph 9 of the said Scheme, the words “and the State Government may remove from office any trustee of a State Board” shall be omitted.

9. In paragraph 10 of the said Scheme, for the word “Board”, wherever it occurs, the words “Central Board”, shall be substituted.

10. In paragraph 11 of the said Scheme,—

(a) in sub-paragraph (1), for the words “A Board”, the words “The Central Board” shall be substituted.

(b) In sub-paragraph (2), for the word “Board”, the words “Central Board”, shall be substituted.

11. In paragraph 13 of the said Scheme for the words “a Board” and “Board”, the words “the Central Board” and “Central Board” shall respectively be substituted.

12. For Paragraph 14 of the said Scheme, the following paragraph shall be substituted, namely:—

14. “**Quorum.**—(1) No business shall be transacted at a meeting of the Central Board or a Regional Committee unless at least four trustees or members of the Regional Committee are present, of whom:

(a) in the case of the Central Board at least one each shall be from among those appointed under clauses (d) and (e) respectively of sub-section (1) of section 5A of the Act;

(b) in the case of a Regional Committee, at least one shall be from among those nominated under clause (c) and at least one from among those nominated under clause (d) of sub-paragraph (1) of paragraph 4.

(2) If at any meeting the number of trustees or members of a Regional Committee is less than the required quorum, the Chairman shall adjourn the meeting to a date not later than seven days from the date of the original meeting informing the trustees or members of the Regional Committee, as the case may be, of the date, time and place of the adjourned meeting and it shall thereupon be lawful to dispose of the business at such adjourned meeting irrespective of the number of trustees or members of the Regional Committee present.”

13. In paragraph 14A of the said Scheme, for the word “Board”, wherever it occurs, the words “Central Board” shall be substituted.

14. In paragraph 15 of the said Scheme—

(a) for the words, "a Board", the words "the Central Board" shall be substituted;

(b) in the second proviso for the word "Board", the words "Central Board" shall be substituted.

15. In paragraph 16 of the said Scheme, for the words "a Board", the words "the Central Board" shall be substituted.

16. For paragraph 17 of the said Scheme, the following paragraph shall be substituted, namely:—

17. Acts of the Central Board or a Regional Committee not invalid by reason merely of any vacancy in, or defect in the Constitution etc.— No act or proceeding of the Central Board or a Regional Committee shall be deemed to be invalid by reason merely of any vacancy in or any defect in the Constitution of the Central Board or the Regional Committee, as the case may be".

17. In paragraph 18 of the said Scheme, for the word "Board" wherever it occurs, the words "Central Board" shall be substituted.

18. For paragraph 19 of the said Scheme, the following paragraph shall be substituted, namely:—

19. Provident Fund Commissioners.—(1) A Commissioner shall not undertake any work unconnected with his office without the previous sanction of the Central Government.

(2) A Commissioner while attending the meetings of the Central Board may take part in its deliberations but shall not be entitled to vote."

19. Paragraph 20 of the said Scheme shall be omitted.

20. For paragraph 21 of the said Scheme, the following paragraph shall be substituted, namely:—

21. Opening of regional and other Offices.—The Central Board may, with the approval of the Central Government, open such regional and local offices as it may consider desirable for the proper implementation of the Scheme. It may also define the functions and duties of the regional and local offices".

21. For paragraph 22 of the said Scheme, the following paragraph shall be substituted, namely:—

22. Secretary of the Central Board or a Regional Committee.—(1) The Central Government shall appoint a Secretary to the Central Board and a Secretary to a Regional Committee.

(2) The Secretary to the Central Board or a Regional Committee shall, in consultation with the Chairman, convene meetings of the Central Board or the Regional Committee, as the case may be, keep a record of its minutes and shall take the necessary steps for carrying out the decisions of the Central Board or the Regional Committee, as the case may be".

22. For paragraph 23 of the said Scheme, the following paragraph shall be substituted, namely:—

23. Information of appointments to the Central Board.—References relating to all appointments of officers of the Fund made by the Central Government shall be placed before the next meeting of the Central Board for information".

23. In paragraph 24, in sub-paragraph (1) for the word "Board" the words "Central Board" shall be substituted.

24. For paragraph 24A of the said Scheme, the following paragraph shall be substituted, namely:—

24A. Delegation of power by the Central Board.—(1) The Central Board, with the prior approval of the Central Government may, by a resolution, empower its Chairman to sanction expenditure, subject to such

limits as may be specified in the resolution, on contingencies, supplies and purchases of articles required for administering the Fund subject to financial provision in the budget, where such expenditure is beyond the limits up to which the Commissioner is authorised to sanction expenditure on any single item.

(2) The Central Board may also, by a resolution, empower its chairman to appoint such officers and employees other than those mentioned in sub-sections (1) and (2) of section 5D of the Act, as he may consider necessary for the efficient administration of the Scheme.

(3) All sanctions of expenditure made by the Chairman in pursuance of sub-paragraph (1) shall be reported to the Central Board as soon as possible after the sanction of the expenditure.

25. In paragraph 26B of the said Scheme, the "or, where a State Commissioner is appointed, of the State Commissioner" appearing after the words "the Regional Commissioner", shall be omitted.

26. In sub-paragraphs (1), (3) and (5) of paragraph 28 of the said Scheme—

(a) for the word "Board" wherever it occurs, the words "Central Board" shall be substituted;

(b) the word "appropriate" wherever it occurs before the word "Commissioner" shall be omitted.

27. For paragraph 30 of the said Scheme, the following paragraph shall be substituted, namely:—

"30.—Payment of Contribution.—(1) The employer shall, in the first instance, pay both the contribution payable by himself (in this Scheme referred to as the employer's contribution) and also, on behalf of the member employed by him directly or by or through a contractor, the contribution payable by such member (in this Scheme referred to as the member's contribution).

(2) In respect of employees employed by or through a contractor, the contractor shall recover the contribution payable by such employee (in this Scheme referred to as the member's contribution) and shall pay to the principal employer the amount of member's contribution so deducted together with an equal amount of contribution (in this Scheme referred to as the employer's contribution) and also administrative charges on the total amount of such contributions.

(3) It shall be the responsibility of the principal employer to pay both the contribution payable by himself in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor and also administrative charges at such percentage of the total employer's and employees' contributions as may be fixed by the Central Government from time to time."

28. In paragraph 32 of the said Scheme, after the word "employer" wherever it occurs, the words "or a contractor" shall be inserted.

29. In paragraph 36 of the said Scheme, in sub-paragraphs (4) and (5), for the word "Board" wherever it occurs, the words "Central Board" shall be substituted.

30. In paragraph 36A of the said Scheme, for the words "Regional/State", wherever they occur, the word "Regional" shall be substituted.

31. After paragraph 36A of the said Scheme, the following paragraph shall be inserted, namely:—

"36. B.—Duties of Contractors.—Every contractor shall, within seven days of the close of every month, submit to the principal employer a statement showing the recoveries of contributions in respect of employees employed by or through him and shall also furnish to him such information as the principal employer is required to furnish under the provisions of the Scheme to the Commissioner."

32. In paragraph 38 of the said Scheme, in the first proviso to sub-paragraph (1) for the word "Board", the words "Central Board" shall be substituted.

33. In paragraph 49 of the said Scheme, (i) in sub-paragraph (1), the brackets and figure "(1)" shall be omitted, (ii) sub-paragraph (2), shall be omitted.

34. In paragraph 52 of the said Scheme, for sub-paragraph (3) the following sub-paragraph shall be substituted, namely:—

“(3) The Commissioner shall prepare, in ‘Form 7’ a classified summary of the Asscts of the Fund as on the 31st March in each year, or on such other date as the Central Government may specify and shall append it to the annual report submitted under paragraph 74 to the Central Government.”

35. In paragraph 53 of the said Scheme, in sub-paragraph (2) for the words “Board concerned”, the words “Central Board” shall be substituted.

36. For paragraph 54 of the said Scheme, the following paragraph shall be substituted, namely:—

“54(1).—**Expenses of Administration.**—All expenses relating to the administration of the Fund including those incurred on Regional Committees shall be met from the Fund.

(2) All expenses of administration of the Fund, including the fees and allowances, of the trustees of the Central Board and salaries, leave and joining time allowances, travelling and compensatory allowances, gratuities and compassionate allowances, pensions, contributions to provident fund and other benefit fund instituted for the officers and employees of the Central Board, the cost of audit of the accounts, legal expenses and cost of all stationery and forms incurred in respect of the Central Board, cost and all expenses incurred in connection with the construction of office buildings and staff quarters shall be met from the Administration Account of the Fund.

(3) The expenses incurred by the Central Government in connection with the establishment of the Fund shall be treated as a loan and such loan shall be repaid from the Administration Account.”

37. In paragraph 55 of the said Scheme, for the words “appropriate Board” and “Government concerned”, the words “Central Board” and “Central Government” shall respectively be substituted.

38. For paragraph 58 of the said Scheme, the following paragraph shall be substituted, namely:—

“58(1).—**Budget.**—The Commissioner shall place before the Central Board each year before the first fortnight of February, a budget showing separately the probable receipts from the contributions and from the levy of administrative charges and the expenditure which it proposes to incur during the following financial year. The budget as approved by the Central Board shall be submitted for sanction to the Central Government within a month of its being placed before the Central Board.

(2) The Central Government may make such modifications in the budget as it considers desirable before sanctioning it.”

39. In paragraph 64 of the said Scheme, in sub-paragraphs (1) and (5) for the words “appropriate Board”, wherever they occur the words “Central Board”, shall be substituted

40. In paragraphs 66, 67 and 68, of the said Scheme, for the word “Board”, wherever it occurs, the words “Central Board” shall be substituted.

41. In paragraph 69 of the said Scheme—

(a) in the proviso to sub-clause (b) of sub-paragraph (1), for the words “Regional/State”, the word “Regional” shall be substituted.

(b) in sub-paragraph (2), for the word “Board” wherever it occurs, the words “Central Board” shall be substituted.

42. In paragraph 71 and sub-paragraph (3) of paragraph 72 of the said Scheme, for the word “Board” wherever it occurs, the words “Central Board” shall be substituted.

43. For paragraph 74 of the said Scheme, the following paragraph shall be substituted, namely:—

"74.—**Annual Report on the working of the Scheme.**—The Central Board shall approve before the 15th October, and submit to the Central Government before the 30th November, each year a report on the working of the Employees' Provident Funds Scheme during the previous financial year."

44. In paragraph 75 of the said Scheme, for the words "appropriate Board", the words "Central Board" shall be substituted.

45. In paragraph 77 of the said Scheme, for the word "Board", wherever it occurs, the words "Central Board" shall be substituted.

46. In paragraph 78 of the said Scheme sub-paragraph (2) shall be omitted.

47. In Chapter X of the said Scheme, in paragraph 26B the words "or, where a State Commissioner is appointed, that of the State Commissioner" shall be omitted.

48. In Form 5A of the said Scheme, for the words "Regional/State", the word "Regional" shall be substituted.

[No. 8(10)/63-PF.II.]

N. N. CHATTERJEE, Jt. Secy.